Army A&L Reform week

Selection of Evaluation Factors

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Army Acquisition & Logistics Reform Week

Definition of Best Value Trade-off Proces

- A Process
- Used in Competitive Negotiated Contractin
- Selects Most Advantageous Offer
- Evaluates and Compares Factors in Additio to Cost or Price

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Evaluation Criteria - Purpose

- Guides the Offerors in Preparation of their Proposals
- Suggests a Structure for the Organization of the Evaluation
- Provides the Basis of the Evaluation
- Guides the Source Selection Authority in the Decision Process

Importance/Emphasis

Have the evaluation factors been appropriately weighted?

- **Every acquisition is uniq**
- **Importance/emphasis is a Governme**
- **Limit the number of factors/subf**

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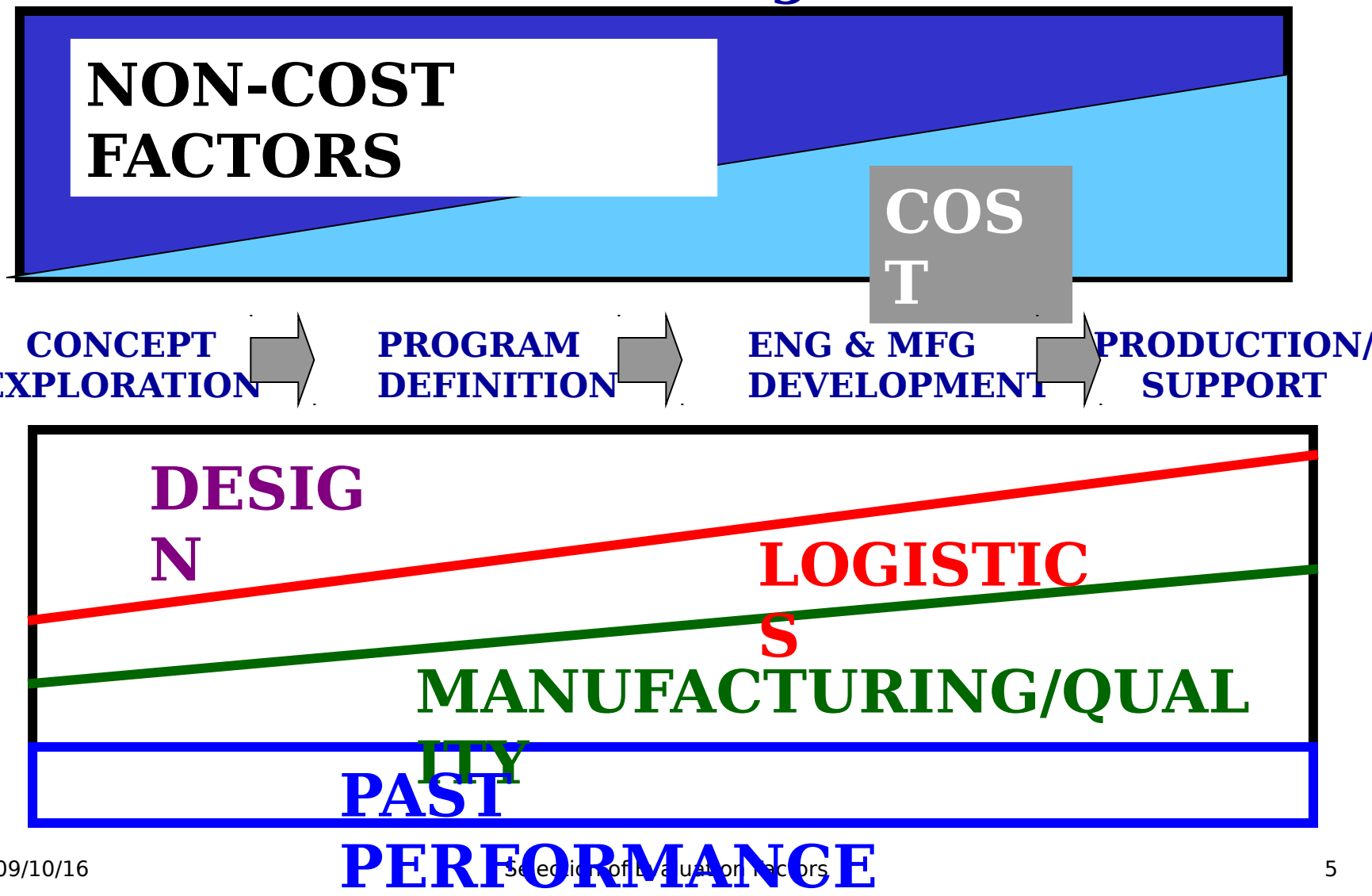
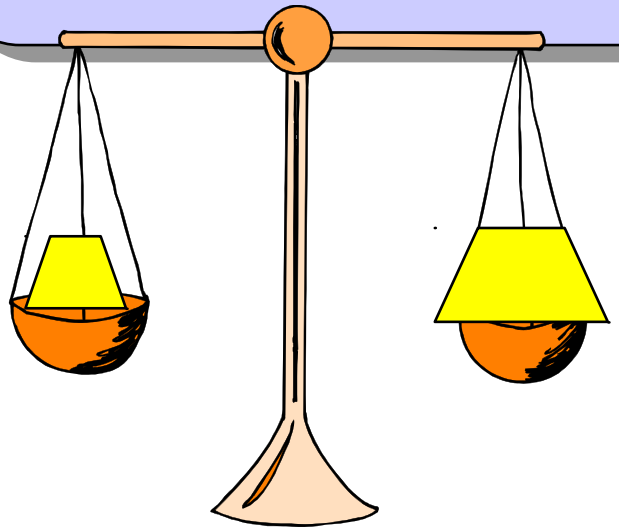
Criteria Changes Over Time



Factors that are Discriminators

True discriminators have the following characteristics:

- **A reasonable expectation of variance among offer**
- **An assessable variance (either a quantitative or qualitative measurement)**
- **The requirement(s) warrant a comparative evaluat of that area**



Are the selected factor true discriminators?

Mandatory Factors

1. Price or Cost
2. Quality (addressed through one or r
   non-cost evaluation factors
3. Past Performance
4. Other

Price/Cost Factors

- Vary depending on contract type
- Reasonableness always a consideration
- Cost realism is important
- Solicitation must clearly state what and how evaluated
- Must be an unscored factor

What are the appropriate cost criteria?

Non-cost Factors

What is their interrelationship?

What are the appropriate non-cost evaluation criteria?

Interrelationship of Factors

"Gotta tell the players!"

Noncost factors a

significantly more important than

OR **equal to**

OR **significantly less important than**

cost or price.

What is the relationship of the non-cost factors to cost or price?

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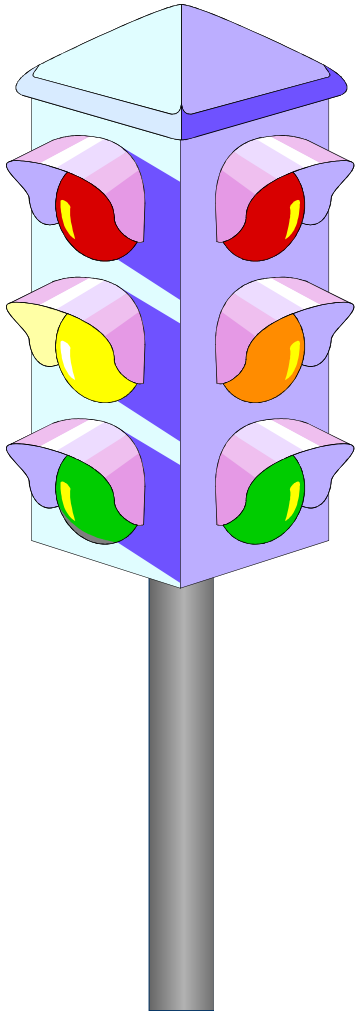
Evaluation Criteria - Key Issues

- **Criteria Should Be Limited to Discriminators**
- **Criteria Should Only Include Those Things That Can Be Measured**
- **Criteria Should Be of Enough Importance to Pay a Price Premium For**
- **When Technical Is More Important Than Cost, The Message is "We're Willing to Pay More For Technical Excellence" - If the Benefits Are Worth The Premium!**
- **When Cost is More Important Than Technical, The Message is Not "Low Cost Wins."**

Non-cost Factors as GO/NO-GO

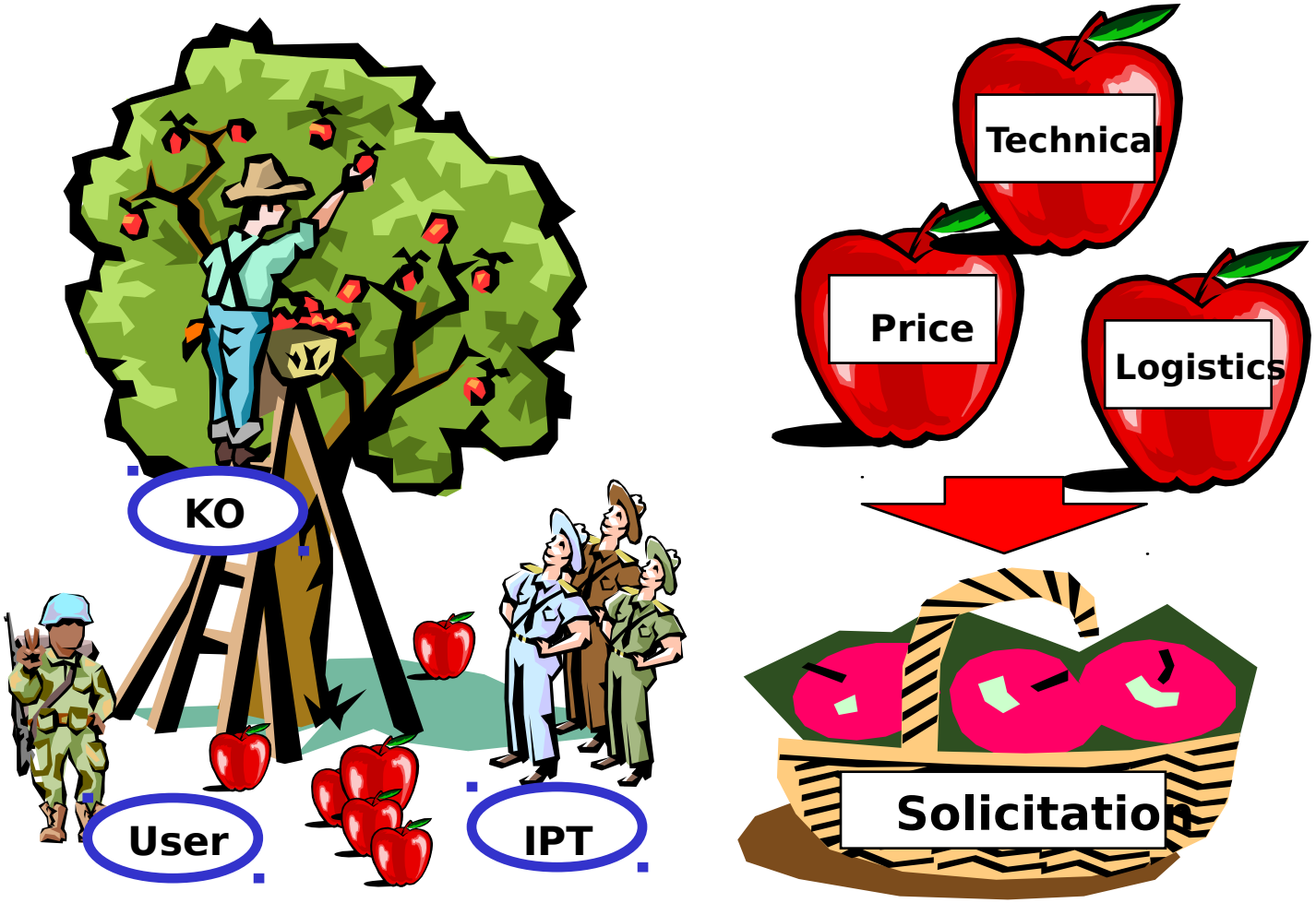
Use GO/NO-GO when…



requirements are set

exceeding the requirement adds no value to

Who Selects Evaluation Criteria?



Sources of Evaluation Factors

Make Smart Business Decisions

	NO	YES
Selecting Criteria	Technical Management Integration Logistics CLS Price SubK Software Past Perf Personnel	Technical Past Performance Price
Weighting Criteria	25% 25% 25% 25% 40% 40% 5% 5% 5% 5%	50% 30% 20%
Determining Relationships	No statement Unclear Inconsistent	Clear Consistent
Selecting Rating Systems	Numeric	Adjectival Colors
Establishing Standards	None Unrealistic	Realistic

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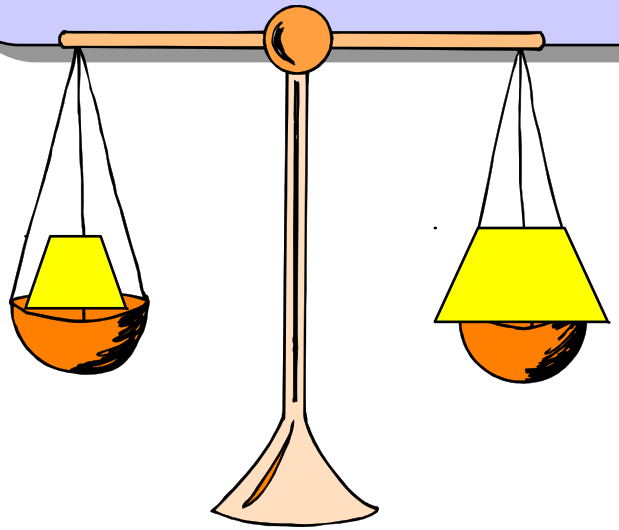


Are the selected factor true discriminators?

DoD Guidance

15.304 plus Deviation

Use of Past Performance as an evaluation fac is MANDATORY for negotiated competitive acquisitions expected to exceed:

$5,000,000
For Systems and Operations Support

$1,000,000
For all other acquisitions

Business Sectors Identified

KEY

Systems

Services

IT

Operations Support

A & E - Construction

Unique

Health Care

Fuels

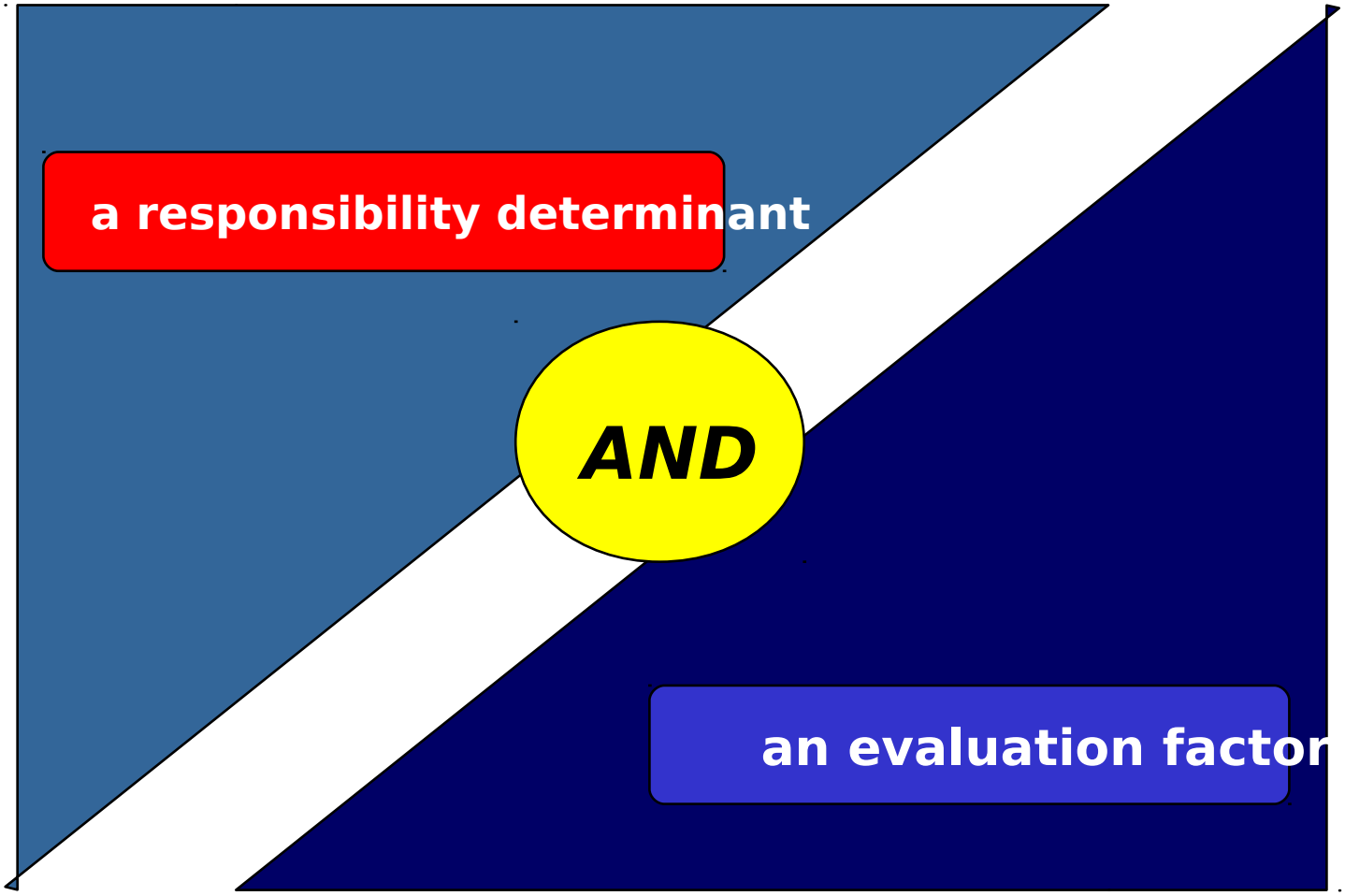
Science & Technology

Past Performance
Significance and Subfactors

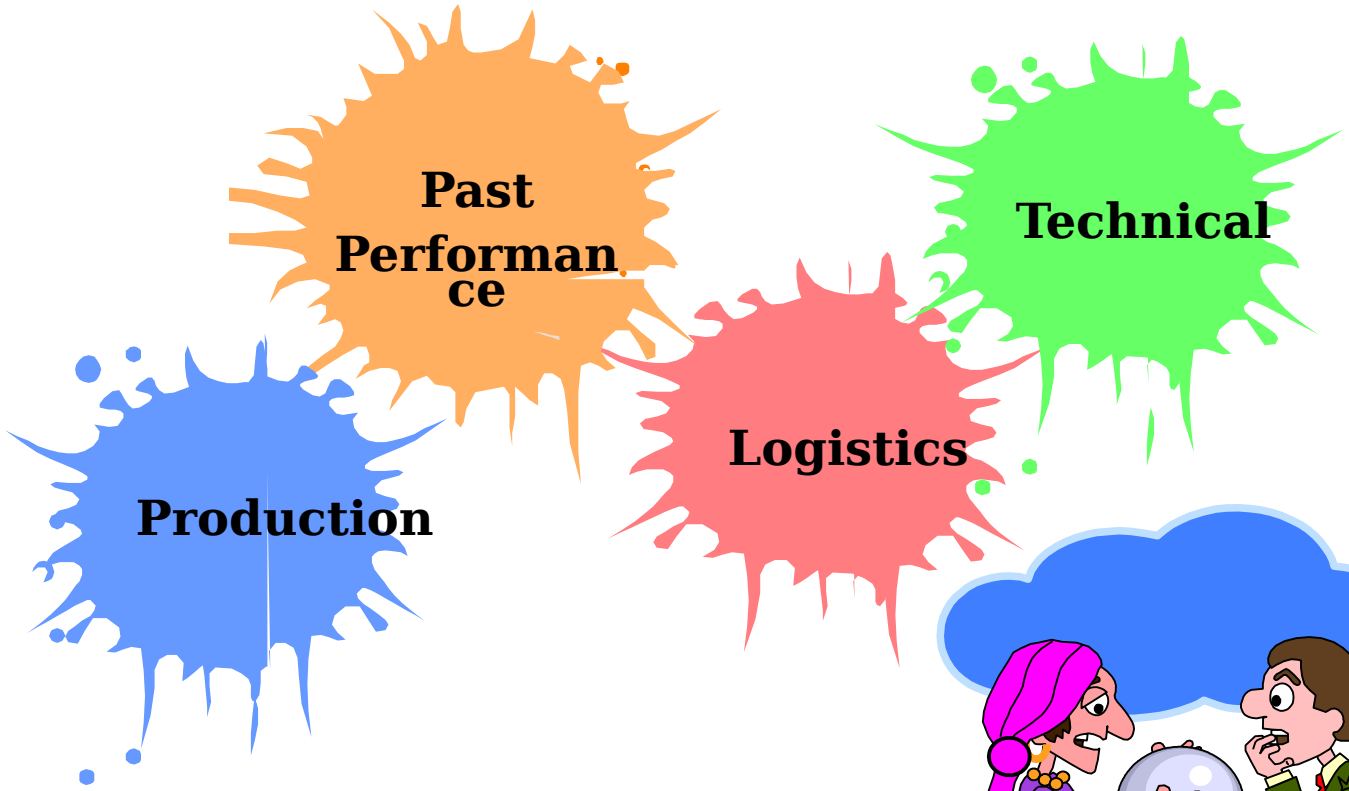
- **Past Performance is Typically an Evaluation Area Distinct from other Non-Cost/Price Areas**
  - **Performance Risk vs Proposal Risk**
  - **Small Business Performance under Past Perform Area**
- **Significance of Past Performance in Comparison to Other Areas (Technical, Cost/Price, etc) is Tailored for Eac Acquisition**
  - **Supply/Service Being Required**
  - **Program Risks**
  - **Phase of Programs**
  - **Number of Measurable Discriminators**
- **Past Performance Subfactors**
  - **Technical Performance (with Quality)**
  - **Delivery Performance**
  - **Cost Performance (Cost Reimbursement Contrac only)**

Responsibility vs Evaluation Factor

Past Performance can be used as both…



Summary



Got the Picture?